

PRESIDENT WILSON STATES TERMS UPON WHICH PEACE MAY BE CONCLUDED

TEUTONIC GAIN BY RUSSIAN DEFECTION OVERCOME ALREADY

General Haig Reports Steady Progress During Year Passed, Although Plans Had to Be Radically Changed.

BRITISH SOLDIERS SUPERIOR TO GERMANS

Men Obligated to Wade Through Mud Waist Deep to Attack, but Won Over All, Says Field Marshal.

London, Jan. 8.—"The additional strength which the enemy can obtain from events in Russia and Italy already has been largely discounted, and the ultimate destruction of the enemy's field forces has been brought appreciably nearer," is the confident summation up by Field Marshal Haig, the British commander-in-chief in France and Belgium, of last year's work by the British army on the western front. The statement is contained in an official report of General Haig's spring and summer campaigns, in today's Official Gazette.

The report covers the period from the opening of the Arras offensive, April 9, to the conclusion of the Flanders offensive in November. Subsequent events of the year, including the Cambrai battle, will occupy a separate report, which is to be published shortly.

General Haig closes today's report with a brief tribute to the Americans.

Tribute to Americans.

"During the year," says General Haig, "the United States has entered the war and taken up their part with all the well known energy and ability of that great nation. Already thousands of American soldiers are in France. Warm as is the welcome they received from the French people, nowhere will they find a more genuine or a friendlier greeting than among the ranks of the other great English-speaking armies."

At the outset of his report General Haig explains how the general allied plan of campaign for the year was settled at a conference at French headquarters in November, 1916.

"The plan," he says, "comprised a series of offensives on all fronts so timed as to assist each other by depriving the enemy of the power of weakening any of his fronts to reinforce another."

This plan had to be modified on a wholesale scale from the very start, owing to a variety of unexpected developments.

Steady British Successes.

Notwithstanding these difficulties, the whole story of the year's work is a steady continuation of British successes and German setbacks which give General Haig ground for his optimistic conclusion.

"The Flanders offensive was maintained for three and a half months under most adverse conditions," says Field Marshal Haig, "when we overcame almost superhuman exertions on the part of the troops of all arms. The enemy did his utmost to hold his ground, and in endeavoring to do so used up no less than seventy-eight divisions of which eighteen were engaged a second or third time after being withdrawn to rest and refit."

"Despite the magnitude of his efforts, it was the immense material difficulties, accentuated manifold by abnormally wet weather rather than the enemy's resistance, which limited progress and prevented the complete capture of the ridge. What was actually accomplished under such adverse conditions is the most conclusive proof that, given a normally fine August, the capture of the whole ridge in a few weeks was well within the power of our men."

Waded Through Mud.

"They advanced every time with absolute confidence in their power to overcome the enemy, even though sometimes they had to struggle through mud waist deep to reach him. As long as they could reach him they overcame him, but physical exhaustion placed narrow limits on the depth to which each advance could be pushed and compelled long pauses between advances. The full fruits of each success consequently were not always obtainable."

"Time after time, the practically beaten enemy was enabled to reorganize and relieve his men and bring up reinforcements behind the sea of mud which constituted his main protection. Notwithstanding the many difficulties much was achieved."

"Our captures in Flanders since the end of July amount to twenty-four thousand prisoners, seventy-four guns and nine hundred and forty-one ma-

RAILROADS CALL FOR BIG AMOUNT FOR CASH; GREAT REPAIRS NEEDED

Case of Denver & Rio Grande Presented; Must Have Money or Go Into Receiver's Hands Soon.

STATE TAXATION NOT TO BE CHANGED BY ORDER

Congressional Committees Hold Hearings on Various Phases of Control by Federal Government.

Washington, Jan. 8.—Director General McAdoo today addressed an appeal to railroad officers and employees to do their utmost to maintain efficient railroad service as a patriotic duty, saying "every officer and employee is just as important a factor in winning the war as the men in uniform who are fighting in the trenches."

He promised to consider labor problems "justly and fairly and at the earliest possible moment." The names of four members of the board to investigate the brotherhoods' request for more pay probably will be announced tomorrow.

The railroad problem was the subject of hearings before the interstate commerce committee of both the senate and house. Interstate Commerce Commissioner Anderson explained the purpose and effect of the pending administration bill to the house committee, while Julius Kruttschnitt, chairman of the board of the Southern Pacific, continued his testimony before the senate committee on the difficulties of railroads under private management.

Big Financial Problem.

Together with the labor phase of government operation, the railroad administration today considered financial problems with which the government will be forced to deal shortly. From scores of roads come reports on estimated amount of additional capital to be raised this year by issue of securities.

Special consideration was given today to the financial state of the Denver and Rio Grande railroad, which is threatened with receivership for failure to pay interest on outstanding bonds. After a conference between John Barton Payne, counsel

chinese guns. It is certain that the enemy losses exceeded ours.

Beat Best German Troops.

"The most important of all is that our new and hastily trained armies have shown that they are capable of meeting and beating the enemy's best troops under conditions which favored his defense."

"In this respect I desire to emphasize the supreme importance of adequate training prior to placing troops in the line of battle. It is essential, if sacrifice is to be avoided and success assured, that troops going into battle should be first given the opportunity for special training under officers who are to command them in the task which they are called upon to perform."

"The general conditions of the struggle this year have been very different from those contemplated at the conference in November, 1916. The great general and simultaneous offensive then agreed upon did not materialize. Russia, though some of her leaders made a fine effort, not only failed to give the help expected but even failed to prevent the enemy from transferring forty fresh divisions from her front in exchange for tired ones used in the west, or from replacing his losses on the west by drafts of fresh men from the east."

Situation Difficult.

"The combined Franco-British offensive of the spring was launched before Italy was ready, and the splendid effort made by Italy later was unfortunately followed by developments which resulted in the weakening of the allied forces in this theater. In the circumstances the task of the British and French armies has been far heavier throughout the year than originally was anticipated, and the enemy's means of meeting our attack was greater than he or we expected."

"That under such circumstances we won the victories of Arras, Vimy and Messines, and the French those at Moronvillers, Verdun and Malmaison constitutes a record of which the allied forces have a right to be proud. The British armies have maintained a vigorous and continuous offensive throughout the period covered by this dispatch. No other example of offensive action on so large a scale and so long and successfully sustained has been furnished by the war."

Beaten to Standstill.

"In the operations at Arras, Messines, Lens and Ypres 131 German divisions were engaged and defeated by less than half that number of British. Without reckoning the possibilities opened up by our territorial gains in Flanders and without considering the effect which a less vigorous prosecution of the war by us might have had in the other theaters, we have every reason to be satisfied with the results achieved in the past year's fighting."

German Prisoners in United States Make Toy Soldiers Like Kaiser's Own



Mississippi Gives First Ratification for the Amendment

Jackson, Miss., Jan. 8.—Fifteen minutes after the subject was presented in Governor Bilbo's message to the state legislature both houses today ratified the proposed prohibition amendment to the federal constitution. Only eight dissenting votes were cast. The Mississippi assembly is the first to act on the proposed amendment.

For the railroad administration, representatives of the road and the Equitable Trust company, which has obtained a judgment of \$28,000,000 against the road, an agreement was reached by which the receivership will not be necessary immediately, and sufficient working funds will be left the road to enable it to meet its payrolls and continue operation. Eventually a receiver may have to be appointed, it was said.

No Taxation Interference.

Commissioner Anderson, who framed the administration bill, now before the interstate commerce committee of both houses, on the stand today, explained that it is not intended that there shall be any interference with state taxation of the necessity of government control of operation. The government compensation to all roads on the basis of the standard return proposed, would be \$35,000,000 a year, the average net and way operating income for the three years ending last June 30. This compensation basis is permissive, not mandatory, and any railroad may enter suit for a higher rate if it chooses.

Mr. Kruttschnitt praised the work of the railroad war board, now dissolved, in eliminating much competition and pooling railroad facilities to a great extent under private control. He said the results of the necessity of government control showed emphatically that anti-trust and anti-pooling laws will have to be repealed.

Cumulative Asks Questions.

Senator Cummins asked Mr. Kruttschnitt about the advisability of basing the railroads' compensation on the market value of the stocks, which opened a lengthy discussion of the value of securities. Mr. Kruttschnitt said the value of the stock of the Southern Pacific had fallen 55 points in the last ten years and in that period the company had put \$100,000,000 into the property, showing that the market quotations have little or nothing to do with the intrinsic value of the property.

Grain men of the country, Mr. Kruttschnitt said, were the slowest to comply with the war board's recommendations providing for the hoarding of grain. It was only after Food Administrator Hoover, who had the power and the railroads did not, issued an order providing that no cars be handled unless fully loaded, he added, that a change was brought about.

The appeal of the director general to railroad officers and employees, which will be posted within a few days at every railroad station, shop and roundhouse in the country, is as follows:

McAdoo's Appeal.

"The government of the United States having assumed possession and control of the railroads for the period of the present war with Germany, it becomes more than ever obligatory upon every officer and employee to do his utmost to maintain efficient railroad service as a patriotic duty."

(Continued on Page Two.)

COAL BUDGET IS TO BE EMPLOYED VOLUNTARILY BY MANUFACTURERS

Administration Makes It Clear That Consumption by Non-essential Industries Must Be Cut Down.

NO BUSINESS WILL BE FORCED TO SUSPEND

Plan Outlined Is Expected to Save Many Million Tons for Imperative Work Needed by War.

Washington, Jan. 8.—A "coal budget plan" based on the voluntary agreements of manufacturers not engaged in war work to reduce their fuel consumption and backed by orders of the fuel administration making the agreements applicable to all factories of each industry, was announced tonight by the fuel administration as its method of adjusting demand to supply in 1918.

Reduction in consumption of possibly 50,000,000 tons of coal for the year is contemplated. The army and navy, munitions works, other war material factories, public utilities and domestic consumers will be the only classes of consumers to receive 100 per cent of their needs while the war continues.

Savings Will Be Large.

Manufacturers already have been called into conference to put the plan into operation, and the annual savings promised by the first group will be between 15,000,000 and 20,000,000 tons. In 1917 the increased demand for coal amounted to 100,000,000 tons, while the increase in output was about 45,000,000 tons. Under the same conditions this year the unfilled tonnage would be taken care of by the reduction in factories not contributing directly to the prosecution of the war.

Curtailment of fuel consumption necessarily implies reduction of output by the factories, so the fuel administration sees in its program aid in the diversion of labor and materials to war work. The "budget" by agreement is adopted in the form of proposed arbitrary classification of industries into essential and non-essential divisions.

Balance Demand and Supply.

"It is believed," the fuel administration's announcement says, "that the operation of this plan will forever lay the ghost of the agitation to 'cut off non-essential industries' and will automatically balance the relation between the production and consumption of coal and prevent any repetition of the present coal shortage."

One of the striking instances in which curtailment already has been effected is in the brewing industry. Representatives of the American Brewers' association and others affiliated with the making of beer volunteered a reduction of 700,000 tons of coal annually. Other industries which have been represented in conferences with the fuel administration have been paint and varnish, wall paper, confectionery, artificial ice, box board and glassware. The voluntary reduction of one day's running each week by the box board manufacturers will amount to 1,000,000 tons a year and will take 30,000 carloads of merchandise freight off the congested railroads.

Must Curtail Fuel.

There are more than 100 industries not engaged in war work which must curtail their use of fuel.

"These industries, sometimes mis-called 'non-essential industries,' says the announcement, "are the backbone of the country's economic system. They employ ten million workers and from them must come the taxes and bonds which will pay for the war. These industries have never objected to any curtailment of coal or material or men which could be shown to be necessary to win the war. It was the indefinite threat of annihilation by restrictive orders during the last two or three months that has alarmed the leaders of business and finance."

STRIKING ADDRESS BY THE PRESIDENT CLEARLY DEFINES AMERICA'S TERMS

To the World and Germany Is Expressed Basis on Which Allies Are Willing to Build Peace Structure.

IN RAPID ATTENTION GREAT AUDIENCE LISTENS

Congressmen, Foreign Ministers and Diplomats Hear 23-Minute Speech That Marks Epoch.

Washington, Jan. 8.—America's terms upon which the nations, against German world domination are ready to lay down their arms, was given to the world by President Wilson today through an address to congress in joint session.

For this program, based upon the fighting of wrongs and the safety of peace-loving peoples desiring to live their own lives, the president committed the United States to fight and continue to fight until it is achieved. Thus he pledged the country to the allied policy of no separate peace.

No Separate Peace.

"We cannot be separated in interest or divided in purpose," he said. "We stand together to the end."

The speech, heard by congress at an hour's notice and accepted with a wave of approval, that has brought together virtually every element of both houses, was delivered as a direct response to the German challenge in the negotiations with the Russians at Brest-Litovsk. It followed closely and approved the address of the British premier, but was far more specific in statement of terms, robbing of force in advance any German peace drive designed to confuse the entente and American governments and to bring peace, while at the same time preserving the foundation for genuine negotiations whenever the central powers are ready to talk of a just peace.

Fourteen Proposals.

Fourteen concrete proposals laid down by the president began with the declaration that the days of private international understandings are gone and that covenants of peace must be reached in the open. Briefly summarized, they are:

1. Absolute freedom of the seas in peace or war, except as they may be closed by international action; removal of economic barriers among nations associating themselves to maintain peace; guarantee of the reduction of armaments to the lowest point consistent with domestic safety; impartial adjustment of colonial claims, based upon the principle that the peoples concerned have equal rights with the governments; evacuation of French territory and recognition of Italy's frontiers along recognized lines of nationality; free opportunity for autonomous development of the peoples of Austria-Hungary; evacuation of Roumania, Serbia and Montenegro and guarantees for all the Balkan states; sovereignty of Turkey's nation and of other nationalities; an independent Poland with access to the sea and territorial integrity to large and small states alike.

Sympathetic Toward Russia.

A striking feature of the address was the sympathetic attitude of the president toward the Russian representatives who, dealt with the Germans at the peace conference—the Bolsheviks, often execrated for their defection from the entente and for permitting themselves to be drawn into the Teutonic peace trap. The Russians, he said, presenting a perfectly clear statement of the principles upon which they would be willing to conclude peace, were sincere and in earnest, and when they found that the actual German terms of settlement came from the military leaders who had not thought but who had taken care to disclaim any intention to suggest a change in German institutions.

Address Warmly Approved.

Everywhere in Washington it was agreed that the president had made a great address and had given expression to the views of the American people as a whole. The difference of opinion was as to whether it was a peace or a war speech. Some members of both houses of congress professed to believe that the Germans might

KAISER'S PICTURE LEADS TO ARREST OF TEXAS FARMER

Henry Schroeder, Living Near Amarillo, Is in Jail; Used Threatening and Seditious Language.

Amarillo, Tex., Jan. 8.—Henry Schroeder, a farmer, 57 years of age, was arrested today on a charge of using seditious language after he was alleged to have threatened to shoot any one who attempted to remove a picture of the German emperor from his home. Complaint had been made that Schroeder repeatedly had made disparaging remarks concerning the United States and President Wilson. Schroeder, who came from Germany thirty-seven years ago and is a naturalized American was held in jail in default of \$10,000 bond. The picture which caused his arrest was destroyed by irate citizens.

FINANCIERS SEE PROLONGATION OF GREAT WORLD WAR

President's Address, Making Recession of Alsace-Lorraine to France Peace Condition, Causes Pessimism.

New York, Jan. 8.—President Wilson's recitation of war aims before congress was reflected in the stock market today by a reaction of two to five points after an early advance of one to three points.

The selling seemed to be based on the theory that the central powers would refuse to meet the terms proposed today by a reaction of two to five points after an early advance of one to three points.

Much of the early advance was due to short covering and that same element was a factor in the later reversal, renewing its commitments at the first signs of hesitation. Offerings of United States Steel contributed heavily to the setback, that stock falling 2 1/2 points from its maximum of 97 1/2 and closing almost at its low level of the day.

TOOK BAZAAR FUNDS NOW SERVING TERM

New York, Jan. 8.—Failing to get himself accepted for the army, C. Donald Fox, a promoter of the army and navy bazaar held here last October, convicted of appropriating bazaar funds, was sentenced today to serve an indeterminate term in the penitentiary for petty larceny. The maximum of his sentence is three years.

At the time Fox pleaded guilty he was told by the court that sentence would be suspended if he enlisted in the army; Fox made an effort to enlist but was refused admission.

LIVESTOCK LEADER URGES PORKLESS DAY

Salt Lake City, Utah, Jan. 8.—Establishment of a porkless day rather than a meatless day each week will be advocated by I. T. Pryor of San Antonio, Texas, president of the American National Livestock association at the convention of the association next week in Salt Lake City, according to word received here today.

Both the American National Livestock association and the National Wool Growers' association already have forwarded their views to Herbert C. Hoover, food administrator. Their letters suggest that better results may be achieved in conservation of foodstuffs needed by the army through increased conservation of pork products instead of the restriction upon the consumption of beef, mutton and lamb.

MINE WORKERS' VOTES NOW BEING COUNTED

Pueblo, Colo., Jan. 8.—All ballots for officers in the recent election of the United Mine Workers have been received at district headquarters here but the results will not be known until February 1.

Canvass of the votes will start about February 1.

THE WEATHER

FORECAST.

New Mexico—Wednesday and Thursday generally fair; colder southeast portion Thursday.

Local Report.

A summary of local weather conditions for the twenty-four hours ended at 6 p. m. yesterday follows: Maximum temperature, 54 degrees; minimum, 22; range, 32; temperature at 6 p. m., 32; north wind; clear.

CREWS OF STEAMERS FACE STARVATION

Quebec, Jan. 8.—Death by starvation faces crews of four steamers said to be operated by the Lake Carriers' association of Detroit, held in the ice pack in the St. Lawrence river near Cape Chatte, according to reports from that vicinity today.

The Canadian government icebreaker Montcalm left Quebec yesterday in a blizzard to rescue the vessels.

LESS THAN YEAR SINCE MAN ENLISTED

Denver, Colo., Jan. 9.—Neil Sharp, whose death in France is reported in a dispatch from General Pershing, was 22 years of age and enlisted in the Colorado national guard field hospital corps last summer. He leaves a mother, Mrs. Ruth Sharp, and two sisters, who live here.

FINE OF W. J. BURNS DECLARED ILLEGAL

Albany, N. Y., Jan. 8.—The conviction of William J. Burns, head of a private detective agency on a charge of publishing private papers in connection with efforts of J. P. Morgan & Co. to prevent leaks of information concerning allied munitions contracts, was held illegal by the court of appeals today. Burns was fined \$200 by the New York court of general sessions.